

Message Text

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USOECD

FOR STEVEN PILLA, OFFICE OF MARITIME AFFAIRS

E.O. 11652: N/A
TAGS: EWWT, OECD
SUBJECT: JAN. 23 MEETING OF AD HOC WP OF COUNCIL ON
MEASURES CONCERNING OIL CARRIERS

REF: JAN 17 PILLA/FORRESTER TELECON

FOLLOWING IS TEXT OF MT/M(78)1, ANNEX I AS REQUESTED.
BEGIN TEXT - VIEWS OF THE MARITIME TRANSPORT COMMITTEE
CONCERNING THE STUDY ON 'THE ECONOMIC IMPLICATIONS OF
RETROFITTING OF SEPARATE BALLAST TANKS, DEDICATED
CLEAN BALLAST TANKS AND SIMILAR TECHNIQUES' AND
COMMENTARY BY DELEGATIONS UPON IT (AD HOC C/WP/OC(77)4
AND 6) IN RESPONSE TO THE REQUEST OF THE AD HOC WORKING
PARTY OF THE COUNCIL ON MATTERS CONCERNING OIL CARRIERS.

1. AT THE MEETING OF THE MARITIME TRANSPORT COMMITTEE
ON 12 TO 14 DECEMBER 1977, THE COMMITTEE NOTED WITH
INTEREST THE WORK UNDERTAKEN BY THE AD HOC WORKING
PARTY OF THE COUNCIL ON MEASURES CONCERNING OIL CARRIERS
AND IN PARTICULAR THE VARIOUS STUDIES PREPARED BY A
NUMBER OF DELEGATIONS AND THE SECRETARIAT.
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2. ON THE BASIS OF A PURELY SECTORIAL APPROACH THE
COMMITTEE EXAMINED IN PARTICULAR THE EVENTUAL REPER-
CUSSIONS OF RETROFITTING SEPARATE BALLAST TANKS IN
EXISTING SHIPS WHICH, IN THE VIEW OF THE COMMITTEE,
SEEMS TO BE THE MOST SUITABLE MEASURE FOR CONSIDERA-
TION AMONG THOSE GIVEN TO THE AD HOC WORKING PARTY.

3. THE COMMITTEE RECKONED THAT THIS MEASURE, IF APPLIED ON A WORLDWIDE BASIS VIA AN INTERNATIONAL CONVENTION, WOULD HAVE A PRONOUNCED EFFECT ON THE SUPPLY OF TOTAL TANKER TONNAGE AND THUS WOULD BRING SIGNIFICANTLY FORWARD THE DATE OF A MARKET EQUILIBRIUM IN THE OIL CARRIER MARKET AND CONSEQUENTLY MOST LIKELY ALSO RESTORE AN EQUILIBRIUM IN THE BULK MARKET. IN THE LONG RUN RESTORE THIS MEASURE WOULD FURTHERMORE IMPROVE THE EARNINGS OF THE RESPECTIVE SHIPOWNERS. THE COMMITTEE RECKONED HOWEVER ALSO THAT THE INTRODUCTION OF THIS MEASURE WOULD IN THE MORE IMMEDIATE FUTURE:

- WEIGH HEAVILY, DUE TO THE NON-NEGLIGIBLE NECESSARY INVESTMENT COSTS, ON THE FINANCIAL SITUATION OF SHIPOWNERS WHO AT PRESENT ARE SERIOUSLY AFFECTED BY THE CRISIS IN THE FREIGHT MARKET
- POSE A NUMBER OF COMPLICATED QUESTIONS: LEGALLY AS REGARDS THE REPERCUSSIONS FOR THE USERS OF CHARTERED VESSELS RESULTING FROM A REDUCED CARRYING CAPACITY AND ECONOMICALLY AS REGARDS THE POSSIBILITY OF SERVICING THE CAPITAL NEEDED FOR THE RETROFITTING OF SBT, AND OF HOW THE COSTS MIGHT MOST EQUITABLY BE ALLOCATED.

THE MARITIME TRANSPORT COMMITTEE CONSEQUENTLY REQUESTS THE AD HOC WORKING PARTY TO TAKE THESE TWO POINTS INTO CONSIDERATION WHILE PURSUING ITS WORK. END TEXT.
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4. MISSION ADVISED THAT C/WP/OC(78)3 WILL ONLY BE AVAILABLE IMMEDIATELY BEFORE MEETING.

5. MISSION OBTAINED OTHER REQUESTED DOCUMENTS (C/WP/OC(78)1 AND 2) TODAY, JAN. 17. MARATT BRUSSELS WILL CONTACT S. PILLA BY TELEPHONE REGARDING SALIENT POINTS RAISED THEREIN.
KATZ

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